Kansas State Corporation Commission

THIRTY FIFTH

REPORT

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THIRTY-FIFTH REPORT

OF THE

STATE CORPORATION COMMISSION OF KANSAS

John Carlin, Governor

July 1, 1978, to June 30, 1980

RICHARD C. (PETE) LOUX, Chairman
JANE T. ROY, Commissioner
PHILLIP R. DICK, Commissioner

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EXECUTIVE SUMMARY

GENERAL

The State Corporation Commission (Commission) regulates a wide range of activities within the state which include the following:

1) public utilities (gas, electric, water, telephone and telegraph),

2) common and motor carriers of passengers and property including railroad and bus lines,

3) conservation of oil, gas and mined land, mined land reclamation and the plugging of abandoned wells,

4) the issuance of speculative securities and the registration of securities brokers and agents,

5) gas pipeline and related facilities safety inspections,

6) municipal water works improvements.

The State Railway Commission, Public Utilities Commission, Court of Industrial Relations and the Public Service Commission formerly exercised jurisdiction over many of the above areas until the Commission was created in 1933. The State Charter Board and the State Bank Commission later transferred to the Commission jurisdictional authority over speculative securities. In 1974, the Commission acquired the Mined Land Conservation and Reclamation Board transferred from the State Labor Department.

The Commission consists of three members with one of the three elected Chairman. Not more than two belong to the same political party. Commission members are appointed for four year staggered terms by the Governor with the advice and consent of the Senate.

As a quasi-judicial body, the Commission uses both executive and legislative powers. It performs a legislative function by adopting administrative rules and regulations which are filed with the Revisor of Statutes and have the same effect as laws. The Commission also exercises executive authority to investigate and enforce its rulings through the revocation or suspension of permits and licenses. Because it hears licensing applications and consumer/industry complaints, the Commission performs a quasi-judicial function by rendering judgment on these matters. The Commission's decisions, however, are subject to judicial review by the various courts.

The Commission is not funded by general state revenues, but instead operates exclusively from funds derived from fees, assessments and levies made upon the various enterprises regulated. Expenditures for the biennium amounted to $3,536,210.98 for the 1978 fiscal year beginning July 1, 1978 and ending June 30, 1979 and $4,850,413.74 for the 1979 fiscal year.

Seven divisions conduct the Commission's activities: Administrative and Legal, Utilities, Transportation, Conservation, Special Projects, Securities and Mined Land. All divisions are located in Topeka, Kansas with the exception of Mined Land, located in Pittsburg, Kansas and Conservation, located in Wichita, Kansas.

AGENCY MISSION

The overall regulatory purpose of the Commission is to insure that the public interest is served by the rendering of adequate and efficient utility service at rates that are fair and equitable to both consumers and the utility.

Because public utilities are generally given exclusive territorial rights to provide services and are not subject to pricing constraints brought about by competition, the law provides that their rates shall be regulated in a non-arbitrary manner. The Commission, by statute, is required to grant to the utility a rate schedule which allows the utility the opportunity to reasonably recover its legitimate expenses and to receive a reasonable return on its investment. That appropriate level of return has been construed by the courts to be what is earned by other businesses having comparable risks sufficient to attract additional investment in the company.

Utility companies are never guaranteed a return by the Commission. They are given the opportunity to earn a certain level of profit through rate schedules charged to the consumer.

The Commission holds rate hearings to consider evidence to determine whether utility operating revenue and expenses are reasonable, whether the company has properly invested in facilities to provide service to the public, and what rate schedules will permit the utility an opportunity to recover its revenue requirements in a nondiscriminatory manner. Commission rate hearings are always open to the general public.

SIGNIFICANT DEVELOPMENTS

National Issues and The Commission

The National Energy Act of 1978. Five years after the 1973-1974 oil embargo, Congress passed its first major piece of energy legislation. The Act and its extensive subparts initiated a new national program to meet the goal of energy conservation and the efficient use of natural resources through price regulation.

The Public Utility Regulatory Policy Act. PURPA outlines a program for the conservation and efficient use of energy resources in the generation, transmission and consumption of electric utilities. PURPA requires state regulatory commissions to consider twelve ratemaking standards and regulatory practices. Some five months prior to the passages of this Act, the Commission initiated a general investigation into electric utility company load management, conservation policies and rate design methods. In January, 1980, a Special Projects Division was created. This Division is responsible for PURPA and other special assignments such as the development of sales and capacity forecasting studies as required by the 1979 amendments to the "Kansas Electric Generation Facility Siting Act."

The National Energy Conservation Policy Act. NECPA established the residential energy conservation programs involving the utilities and state regulatory commission. A Kansas "residential conservation service" (RCS) plan is being developed by staff in the Special Projects Division. The plan will outline the information, distribution, installation and financing of housing audits and numerous conservation measures to be implemented in the near future.

The Natural Gas Policy Act. NGPA provides for the expansion of natural gas pricing regulation into the intrastate market and gradually deregulates these prices through "incremental pricing", whereby the total impact of natural gas cost escalations is shielded from the residential and public sector. The Commission is actively pursuing ways to insure that this protection to consumers continues by monitoring and intervening in Federal Energy Regulatory Commission (FERC) proceedings. In May, 1979, the Commission was directed to monitor the impact of the NGCP on price increases automatically passed onto natural gas consumers. This directive was in response to the Kansas Natural Gas Protection Act.

The Power Plant and Industrial Fuel Use Act. FUA prohibits the use of natural gas or oil in new and existing electrical power plants as a conservation measure.

Deregulation. Proposed federal legislation dealing with the deregulation of motor carriers, railroads and telecommunication systems was pending during the biennium. The Commission actively monitored and participated in the various deregulation hearings conducted by Congress to insure that Kansas consumers continue to receive reliable, cost effective services.

SIGNIFICANT DEVELOPMENTS

State Issues and the Commission

During the 1979 and 1980 Kansas Legislative sessions, the following legislation affected the Commission:

Sales Tax Removed from Residential Utility Bills. The Legislature exempted sales of electric, gas and water utilities for residential and agricultural use from the state sales tax. Local sales taxes, however, remain in effect for these taxes on residential heating and lighting, and intrastate telephone and telegraph charges for noncommercial use. It is estimated that these exemptions will save ratepayers $22.5 million annually.

Electric Generation Facilities Siting. The "Kansas Electric Generation Facility Siting Act" passed by the Kansas legislature permits the Commission to oversee the siting of electric generation facilities.

Electric utilities are required to secure a permit before building or expanding a generation facility. Utilities that exercise eminent domain to acquire new construction site land must also file plans with the Commission describing how the facility will be used and alternate location sites.

The new siting law provides that the Commission must determine whether the proposed electric generation facility or an addition to an existing facility is necessary and, if approved, the Commission must determine its most reasonable location and size. Commission hearings must be held in the county where the proposed acquired site is to be located.

Before rendering a final decision, the Commission must determine whether the proposed facility is necessary by considering whether its generating capacity is needed to meet the future electrical needs of Kansas, based on projected energy consumption. The Commission also takes into consideration the availability of natural resources to operate the facility and whether its services can be distributed economically, reliably, and in an environmentally safe manner.

The Commission must compile and maintain a comprehensive statewide electric generation capacity forecast.

Electric Transmission Line Siting. The Legislature recently gave the Commission the authority to approve electric transmission lines and five mile extension lines used for the bulk transfer of 230 kilovolts or more of electricity. The Commission must determine whether the proposed transmission line site is reasonable and must hold hearings in at least one county through which the proposed line will pass.

Electric utilities must secure a siting permit from the Commission before beginning transmission line site preparation or construction. A permit must also be obtained before the utility exercises eminent domain to acquire any land interest in connection with the construction of such a transmission line.

The Sunflower Electric Cooperative electric generating plant in Finney County was the first plant to fall under the siting act and was approved in 1978.

Intrastate Natural Gas Contracts. H.B. 2680 restricts the operation of indefinite price escalator clauses on intrastate natural gas purchase contracts entered before April 20, 1977. Any automatic price escalation under the bill must comply with Section 109 of the Natural Gas Policy Act of 1978 which sets a price ceiling lower than the maximum allowed for decontrolled interstate gas. The bill does not, however, prohibit voluntary price negotiations between parties in a natural gas purchase contract.

The Kansas Independent Oil and Gas Association plus several other oil and gas producers are challenging the constitutionality of this statute in Federal District Court in Wichita, Kansas. The Commission has filed several cases in Clark, Mead and Grant counties to defend the constitutionality of the act and to prohibit the companies involved from artificially raising their prices. Consumers are expected to save over $134 million if the act is upheld.

Parallel Generation Law. Utility companies may now purchase energy produced by customers who use windmills, water wheels, solar conversion and geothermal devices under the new Parallel Generation Law which sets rates and conditions for such purchases and is designed to encourage the use of alternative energy. The Kansas Gas and Electric Company was the first tariff filed under the program. Several tariffs from other utilities have since been approved by the Commission.

Residential Conservation Service (RCS). H.B. 2151 formally designates the Corporation Commission as the lead agency to present a residential energy conservation program to the Secretary of Energy as part of the National Energy Conservation Policy Act. The RCS program was developed by the Commission and is pending review by the Department of Energy.

Motor Carrier Statute Revisions. To encourage rural and small passenger van services, H.B. 2733 exempts all nonprofit motor carriers seating up to 16 passengers from the jurisdiction of the Commission. The transportation of construction type materials to construction sites was also exempted along with a requirement that "dump truck type" vehicles be used for these purposes.

Public Utility Conservation Incentive. The Commission was granted authority by S.B. 789 to give public utilities an incentive to invest in projects that produce renewable energy resources by permitting a 1/2% to 2% additional return above the fixed return rate on such investments.

SIGNIFICANT DEVELOPMENTS

Biennium Commission Action

Residential Conservation Service Program

The National Energy Policy Act (NEPA), incorporating Governor John Carlin's policies and those of the Commission, is directed at promoting conservation in order to make the most efficient use of our valuable and declining natural resources.

A state energy conservation plan for residential customers of gas and electric companies to comply with NEPA is being developed by staff from the Special Projects Division. Because the plan will emphasize energy conservation practices and renewable resource measures, lower costs should result to all consumers in the long run.

Consumer Bill of Rights

On August 22, 1979, the Commission unanimously adopted a "Consumer Bill of Rights" which set up uniform rules regulating utility billing practices, security deposits, late payment charges and the termination of utility service. Among other things, the Commission's "Consumer Bill of Rights" lengthens the time a customer has to pay utility bills, limits the amount of late payment and security deposit charges a utility company can charge, and provides strict notification procedures to renters and homeowners before service is terminated for nonpayment. In some cases, termination is prohibited in extreme cold or hot weather when the health of utility consumers could be endangered. Uniform procedures for disputing utility bills and for allowing reasonable installment payments were also established.

Consumer Information Board

In November, 1979, the Commission created a Consumer Information Board designed to increase public participation in the regulatory process and to communicate consumer concerns to the Commission. Farm and rural groups as well as business and industry representatives from all geographic areas of the state and all age and income levels were selected for participation on the Board. In all, 32 groups and organizations were selected including: the League of Women Voters of Kansas, Kansas Farm Bureau, Kansas Federation of Business and Professional Women's Clubs, Kansas Association of Commerce and Industry, and the Kansas Coalition on Aging.

The Consumer Information Board members work with the Commission to study alternative energy sources, energy conservation and storage techniques, and innovative rate design methods. The Board seeks to inform consumers that the construction of new generating plant additions is the primary cause for higher electric bills.

The Board was planning a series of town meetings to help inform the general public of proposed rate design standards and how to participate in Commission hearings at the end of this reporting period.

Rate Hearing Notices

In an effort to better inform ratepayers of hearings and rate applications from rural electric cooperatives, the Commission adopted a policy in 1979 requiring each rural electric cooperative seeking a rate increase to include an insert in Kansas County Living, the monthly magazine of Kansas Rural Electric Cooperatives. The magazine is distributed in each particular cooperative's service area. The insert contains information about the cooperative's request and the effect of average increases proposed by the cooperative on each of the various service classifications.

For larger companies, such as the Southwestern Bell Telephone Company, the Commission requires the company to publish a notice in its monthly billing statement giving general information about proposed rate applications and hearing dates prior to the scheduled public hearings. News releases are also sent to all statewide wire services, newspapers, radio and TV stations to publicize major rate cases and hearings. By law, the utility is only required to publish a legal notice in small type in local newspapers where most ratepayers do not have the opportunity to learn of rate increases. The Commission's actions now permit the ratepayer to be better informed of upcoming hearings.

Public Hearings

The Commission has held numerous public hearings on rate applications and other utility matters to increase public involvement in the regulatory process. These hearings are often held in the evening or on Saturday around the state to make it convenient for the public to attend.

Telephone Bill of Rights

Following the adoption of a "Consumer Bills of Rights" for customers of gas and electric companies, the Commission opened a general investigation to establish a similar set of uniform billing practices and policies on terminations, late payment charges, and security deposits for telephone companies and their customers.

The Commission is seeking an extended payment period, better termination notification requirements, and more standardized procedures for customers involved in billing disputes.

Extended Area Service

Due to the difficulties with respect to telephone exchange boundary lines, the Commission opened a general investigation into Extended Area Service (EAS). The Commission noted that for several years the growth of suburban areas has changed the calling patterns and habits of telephone subscribers.

The Commission said the EAS problem was brought to its attention by numerous individuals, community groups and businesses who expressed a desire to have inter-exchange calling expanding their area calling instead of a toll charge for each inter-exchange call.

The Commission hired Economics and Technology, Inc., to conduct an extensive study of the EAS issue and to develop guidelines establishing a more consistent statewide policy with new EAS areas. Work on the study project took 15 months, with public hearings scheduled in the future.

Public Utilities Regulatory Policies Act (PURPA)

The Public Utilities Regulatory Policies Act (PURPA) of 1978 is a federal law enacted by Congress as part of the National Energy Act. The purpose of PURPA is to encourage optimal efficiency and energy conservation in the use of utility facilities and resources, and to promote equitable rates for gas and electric consumers.

The Special Projects Division was given the responsibility to study and implement PURPA guidelines where applicable. PURPA requires state regulatory commissions to consider six ratemaking standards (cost-of-service, declining block rates, time-of-day rates, seasonal rates, interruptible rates, and load control techniques); five standards of regulatory practice (master metering, automatic adjustment clauses, information to consumers, procedures for termination of service, and advertising); and lifeline rates.

The load management, conservation and load control program initiated by the Commission in 1978 becames part of the general responsibilities of the Special Projects staff in implementing PURPA.

PURPA ratemaking standards are not mandatory, but each standard must be fully considered to determine whether its implementation is appropriate, depending on the type of utility and the class of customers it serves. As a result of activities which the Commission had underway at the time of the passage of PURPA,

certain of the standards such as master metering and termination of service procedures have already been implemented. Hearings for other proposed standards (cost-of-service, seasonal rates, declining block rates, time-of-day rates, and lifeline rates) are scheduled for the winter of 1980.

Federal Actions

The Kansas Corporation Commission became more actively involved in energy related matters before federal regulatory agencies such as the Federal Energy Regulatory Commission (FERC). While such federal matters do not fall under the day-to-day operational jurisdiction of the Commission, the outcome of FERC decisions may have a major impact on the utility bills of Kansas consumers.

For example, the FERC proposed gas pricing regulations would have caused substantially higher prices for Kansas farmers and irrigators. The Commission submitted testimony to FERC that Congress did not intend the proposed gas prices increases to apply to agricultural uses. As a result, FERC reversed its position in June, 1980 and exempted natural gas used in agriculture from incremental pricing policies.

The Commission also intervened in a major FERC rate case involving the wholesale rate the Cities Service Gas Company charges other companies that provide service to hundreds of thousands of Kansas consumers, such as the Gas Service Company. Under the original FERC proposal, 80% of any rate increase would have been levied upon Kansas, even though Kansan's use only about 12% of the company's gas. Because of the Commission's intervention, rate increases based on zones in Kansas and Missouri were retained, providing more equitable rates for Kansas natural gas consumers.

"Conservation Adjustment" Rejected

In several rate cases during the past two years, utility companies have requested that the Commission allow "conservation adjustments" to penalize customers who have reduced their usage. The utilities argued that large industrial consumers are the most cost efficient to serve. The Commission has consistently rejected such proposals, however, stating that Kansas consumers should not be penalized for conserving energy. As an alternative, the Commission believes that conservation and load management techniques can best help to control utility costs.

Coordination With Kansas Energy Office

During 1979, the Commission began meeting bi-monthly with the staff of the Kansas Energy Office in an effort to increase cooperation and communication between the two state agencies. While both agencies deal with energy matters, there has been historically little communication between these offices. The agencies are now meeting regularly to pool their resources and deal with energy problems jointly.

Energy Cost Adjustments

While fuel and energy adjustment clauses have been used in Kansas for over 50 years, the Commission, in Docket 106,850-U, simplified many of these clauses and adopted several uniform clauses. The docket was left open to permit consumer input and to satisfy PURPA requirements, but also for the Commission to review these clauses to make sure they include an incentive for the economical purchase and use of fuel and electrical energy by the utility companies. Further hearings on the matter were scheduled for December, 1980.

Flattening Rates

In past years, most electricity was priced on declining block rates and promotional schedules, which meant the more electricity a customer used, the less the cost per kilowatt hour. This "economy of scale" rate structure is no longer universally applicable in the electric industry because it usually costs more to produce an additional unit of electricity in today's economic conditions. Declining block rates tend to favor the largest users - large industries - while

the highest per unit cost traditionally falls on the smallest users - residential customers. In several rate cases, the Commission has pointed out that declining block rates are not necessarily cost-based, nor do they promote conservation.

As a result, the Commission's policy has been to move toward flattening rates so that utility consumers pay approximately the same cost per unit of energy.

In March, 1979, the Kansas Court of Appeals upheld the Commission's "flattened rate" policy after it was challenged by an electric company. The Court said such a flattened rate design method was "just and reasonable" in light of national and state energy conservation policies.

Wolf Creek Cost Investigation

Due to the rapid rise in the cost of electric power generation facilities, the Commission, on November 14, 1979, announced it was opening a general investigation into the projected costs of the Wolf Creek Nuclear Generating Facility now under construction near Burlington, Kansas. The Commission said the ultimate costs of constructing Kansas' first nuclear generating plant are unknown and subject to a wide range of estimates and speculation depending on the projected costs of maintaining proper safety measures and decommissioning costs. An investigation into the acts and practices of the electric companies that own Wolf Creek is vital, the Commission noted, since their actions may contribute directly or indirectly to the plant's construction, operation, maintenance and decommissioning costs. The Commission plans to hold public hearings as part of its investigation to determine whether company actions and costs associated with the plant are unreasonable, unfair, inadequate or inefficient.

Jeffery Energy Center and Iatan Plants

In May, 1980, the second unit of the Jeffrey Energy Center and the first unit of the Iatan plant became operational and produced electricity for Kansas customers. Kansas law prohibits companies with investments in such plants from incorporating the plant costs into its rate base until the plant is actually producing electricity. Five companies have invested more than $537 million in the plants including, KP&L, KG&E, KCP&L, Empire District Electric Co. and the Western Power Division of Central Telephone and Utilities Corporation.

Anticipating the filing of several major rate cases as soon as the plants began operation, the Commission adopted special procedures for handling the interim cases which limited the amount of money the companies could seek to recover in their rate base. As a result, the Commission granted emergency interim rate increases for the five companies totaling $85.4 million, based upon requests of approximately $95 million. The amounts collected are subject to refund pending the outcome of rate cases filed by the companies in the fall of 1980.

Cold Weather Cutoff Policy

Prior to the winter of 1978, the Commission adopted a policy requiring utility companies to consider the weather before shutting off service to any of its customers during the winter months, which turned out to be extremely harsh.

Under the "Consumer Bill of Rights", the Commission expanded this policy in 1979 to require companies to consider factors of age, disability, and the health of its customers, as well as weather conditions, before shutting off service. The expanded policies do not allow companies to automatically terminate utility service during extreme weather or if the utility consumer's health could be endangered. The Commission also required utility companies to adopt stricter notification procedures for customers to dispute bills, postpone terminations, and pay larger bills in several installments.

The Commission requested gas companies to make checks at each customer's home whose gas may have been terminated during the warmer months, to prevent home heating tragedies from either lack of heat or from unsafe heating equipment.

Lifting Natural Gas Hook-up Restrictions

On February 15, 1979, the Commission lifted a temporary prohibition of gas hook-ups to new customers and to existing customers with new gas appliances. In denying the Gas Service company's request that the prohibition continue, the Commission felt the gas supply situation had improved sufficiently to warrant lifting the ban on new hook-ups, which affected 22 communities in east-central Kansas. The Commission's order required the Gas Service Company to provide service to all eligible consumers who were previously subject to the restrictions. While the Gas Service Company opposed the Commission's actions in a court challenge, the Commission's position was subsequently upheld in Franklin County District Court in Ottawa, Kansas.

The Commission also lifted a moratorium in May of 1980 on the extension of natural gas service to new irrigation customers of the People's Natural Gas Division of the Northern Natural Gas Company. The moratorium had been in effect since 1977, but the Commission felt the increased availability of gas and the loss of irrigation customers that had occured since the moratorium justified lifting the ban on new irrigation hook-ups.

Railroad Actions

Commissioner Jane Roy served as the Commission's representative on the Railroad Working Group and the State Advisory Council on Rail Planning. Two meetings were held throughout the state following the bankruptcy of the Rock Island Railroad and the subsequent loss of service on several routes in the state to discover local citizen's transporation needs and to furnish information, support and encouragement to other railroads to take over the discontinued Rock Island lines.

Commissioner Roy also testified before the Federal Interstate Commerce Commission (ICC) on behalf of the State of Kansas in support of a request to purchase and operate the main Rock Island line through Kansas. The line is a primary route for the transportation of Kansas agricultural and livestock products and for other Kansas business suppliers. The ICC granted the request and the Southern Pacific began providing service along the line in the spring of 1980.

Automatic Telephone Dialing Policy

In April, 1980, the Commission issued an order making it illegal to use certain types of automatic telephone dialing and announcing devices in Kansas. Such devices may not be used if they do not allow the telephoned party to hang up and have the dial tone promptly restored. The Commission's action was designed to prevent the use of machines that dial hundreds of numbers automatically, play a recorded commercial message to the called party, and prevent the customer from having access to the phone line.

Telephone Company Earnings

In February, 1980, the Commission directed its staff to conduct an investigation of all independent telephone companies in Kansas to determine if their earnings are in excess of those authorized by the Commission.

SIGNIFICANT RATE ACTIONS

The following summary is only a few of the more significant cases handled by the Commission during 1978-80:

In March, 1979, the Commission denied over $3 million of a $3.7 million rate increase requested by the Kansas-Nebraska Natural Gas Company. The Commission also denied $11.7 million of a $12.6 million rate increase requested by the Gas Service Company during the same period.

Kansas City Power and Light Company was granted a rate increase totaling $5 million in March, 1979. The company had requested $18.5 million in 1977, and had earlier been granted an increase of $9.8 million on an interim basis.

The Commission denied a request for an emergency interim rate increase of $21.4 million dollars by the Kansas Gas and Electric Company in June, 1979.

In September, 1979, the Commission granted $5.8 million of the Kansas Power and Light Company's total rate increase request of $58 million. The company had been granted an increase in September, 1978 of $27.1 million on an interim basis. A significant justification for denying the requested increase was the fact that the Commission allowed KP&L to file tariffs adopting a summer/winter rate differential which takes into consideration the additional cost of providing electric service during the peak usage summer months. The summer/winter rate differential meets the guidelines of the Public Utility Regulatory Policy Act (PURPA), enacted by the U. S. Congress.

The Kansas Gas and Electric Company was granted a rate increase totaling $17.3 million in September, 1979. The company had requested $28.9 million, but the Commission permitted KG&E to file tariffs adopting a summer/winter rate differential. The Commission noted that much of the testimony in the rate case involved the financial condition of the company as a result of its large construction budget to build the Wolf Creek Nuclear Generating Plant. In November, 1979, the Commission formally opened a separate and continuing investigation into the costs of the Wolf Creek Plant and its impact on the efficiency and economical operation of KG&E's service.

In October, 1979, the Commission ordered the Western Power Division of Central Telehone and Utilities Corporation to refund $786,000 of a $5.9 million interim rate increase which went into effect in October of 1978. The company had requested an additional $3.5 million to supplement its earlier $5.9 million request. The Commission did, however, permit Western Power to file tariffs adopting a summer/winter rate differential.

In February, 1980, the Commission granted Southwestern Bell Telephone Company $26.7 million of the company's request for $47.2 million. In the most significant development of the case, the Commission ordered that the rate of return on competitive services be brought up to approximately the same level as monopoly services. The effect of this equalization of rates of return substantially reduced the amount of the telephone company's proposed increase for basic residential and business telephone service. While Southwestern Bell had proposed charging 80% of the rate increase to basic service classifications, the Commission ordered that revenues from such basic services and toll charges be limited to about 20% of the rate increase granted. The Commission felt the increase should be charged to competitive services offered by Southwestern Bell based upon evidence that indicated such services were underpriced by the company and were substantially subsidized by basic residential rates.

The Commission prohibited Southwestern Bell from charging Kansas ratepayers for any of its national advertising plans. The Commission also prohibited the company from charging ratepayers more than 1% of the license contract fees it pays to AT&T, the parent company. The Commission's action on this issue was previously upheld by the Kansas courts in 1979, and resulted in savings of about $2.5 million per year to Kansas ratepayers.

On May 30, 1980, Southwestern Bell filed a new rate application seeking $65.3 million, the largest amount ever requested by any utility company in Kansas. Tentative hearings for the case were scheduled for November, 1980.

In March, 1980, the Commission granted the Gas Service Company only $3.1 million of its requested $12.8 million rate increase. The Commission applied federally mandated incremental pricing methods which resulted in no increase to residential users and a modest increase to larger industrial users.

Sunflower Electric Cooperative in Hays, Kansas was granted a $3.4 million rate increase in April, 1980. The cooperative had asked for $3.7 million.

Comparison of Kansas Electric Bills With Other Areas

Kansans paid the same average amount for a typical monthly electric bill during the winter months of 1978-79 as the national average. The average residential monthly electric bills of the five largest electric utilties in Kansas was $33.82 based on an average of 750 kilowatt hours of usage. Electric bills in Kansas were one half as much as in New York City and lower than cities such as Los Angeles, Detroit, Boston, and Washington, D. C.

The highest bills in the country were paid by residents of New York City, which is served by Consolidated Edison Company. The average monthly bill for a residential consumer there was $62.59, almost twice as much as Kansas consumers paid. The lowest bills in the country were paid by residents of the Northwest where much of the power is produced by water impounded in reservoirs. Little or no fuel costs are involved in the generation of hydro-electric power. By comparison, many utilities in the Northeast, including those serving New York City, burn costly oil to generate their electricity resulting in much higher electric bills than the national average.

The typical average winter bill in the survey was based on 750 kwh usage scale during December, 1978, January, 1979, and February, 1979. Figures used in the survey were for regular residential service only, and were not based on residents with "all electric" service.

The first nationwide winter survey of residential electric bills was taken by the National Association of Regulatory Utility Commissioners (NARUC). NARUC surveyed 181 major investor-owned electric utility companies in 47 states and the District of Columbia. (Hawaii, Iowa, and Nevada did not participate in the survey.) The figures include surcharges and energy cost adjustments for the months surveyed, but do not include sales taxes. Figures for winter, 1980, were not yet available when this report was compiled. A comparison list of Kansas utility companies and several other utilities and major cities around the country is shown on the following page.

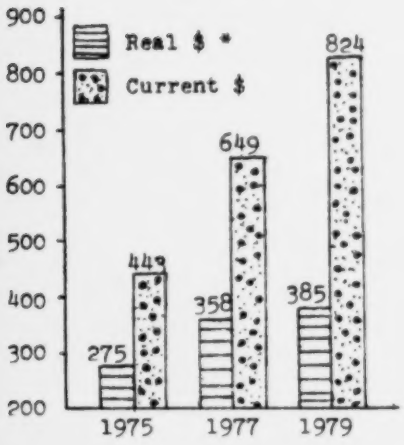
A COMPARISON OF ELECTRIC BILLS OF KANSAS UTILITY COMPANIES AND SEVERAL OTHER UTILITIES AND MAJOR CITIES AROUND THE COUNTRY IS LISTED BELOW:

Largest City Served In The Utility's Territory	Company Serving Territory	Average Winter 1979 bill-750 kwh
New York City (Highest in Nation)	Consolidated Edison	$62.59
Nantucket, Mass. (2nd Highest)	Nantucket Elec. Co.	59.01
Middletown, N. Y. (3rd Highest)	Orange & Rockland Util.	58.06
Boston	Boston Edison Company	46.32
Philadelphia	Philadelphia Elec. Co.	43.78
Washington, D. C.	Potomac Elec. Power Co.	40.33
Los Angeles	Los Angeles Dept. of Water & Power	39.36
St. Joseph, Missouri	St. Joseph Light & Power Company	37.15
Kansas City, Missouri	Kansas City Power & Light Company	34.04
KANSAS AVERAGE----------		$33.82
WICHITA	KANSAS GAS & ELECTRIC	29.82
TOPEKA	KANSAS POWER & LIGHT	33.15
OVERLAND PARK	KANSAS CITY POWER & LIGHT	34.48
HAYS	CENTRAL KANSAS POWER	35.67
GREAT BEND	WESTERN POWER DIVISION OF CENTRAL TELEPHONE & UTIL.	35.95
St. Louis	Union Electric	32.04
Houston	Houston Lighting & Power Co.	29.82
Denver	Public Service Co. of Colorado	29.29
Portland	Pacific Power & Light Co.	21.77
New Orleans	Louisiana Power & Light Co.	21.06
Billings, Montana	The Montana Power Company	20.70
Spokane, Washington (Lowest)	Washington Water Power Co.	11.78
NATIONAL AVERAGE (181 COMPANIES SURVEYED)----------		$33.82

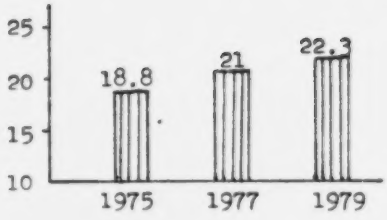
ELECTRICAL DEMAND AND REVENUE

TOTAL

REVENUE
(in million $)

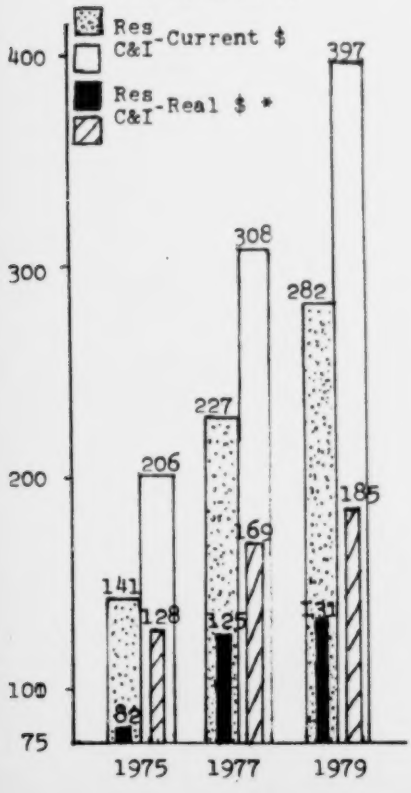


KWH
(in billion KWH)

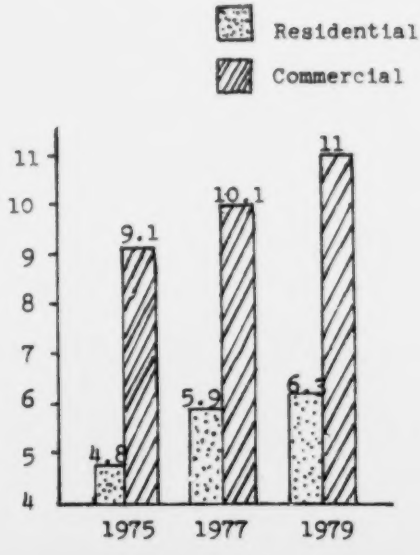


RESIDENTIAL AND COMMERCIAL & INDUSTRIAL

REVENUE
(in million $)



KWH
(in billion KWH)



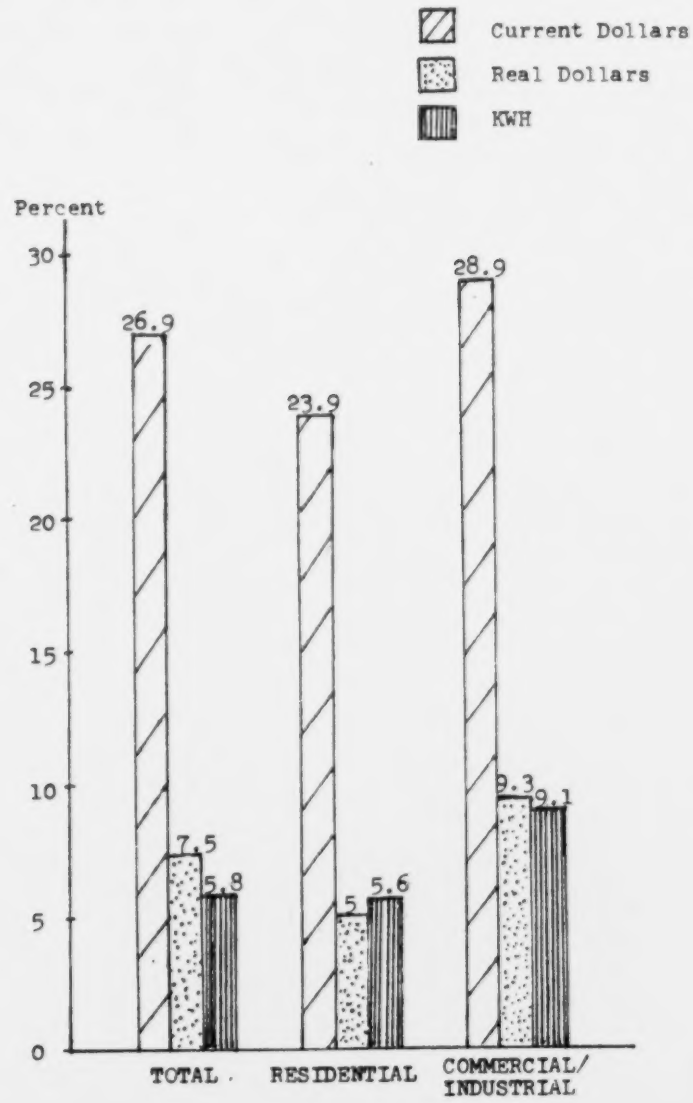
* 1967 Real Dollars

PERCENTAGE CHANGE

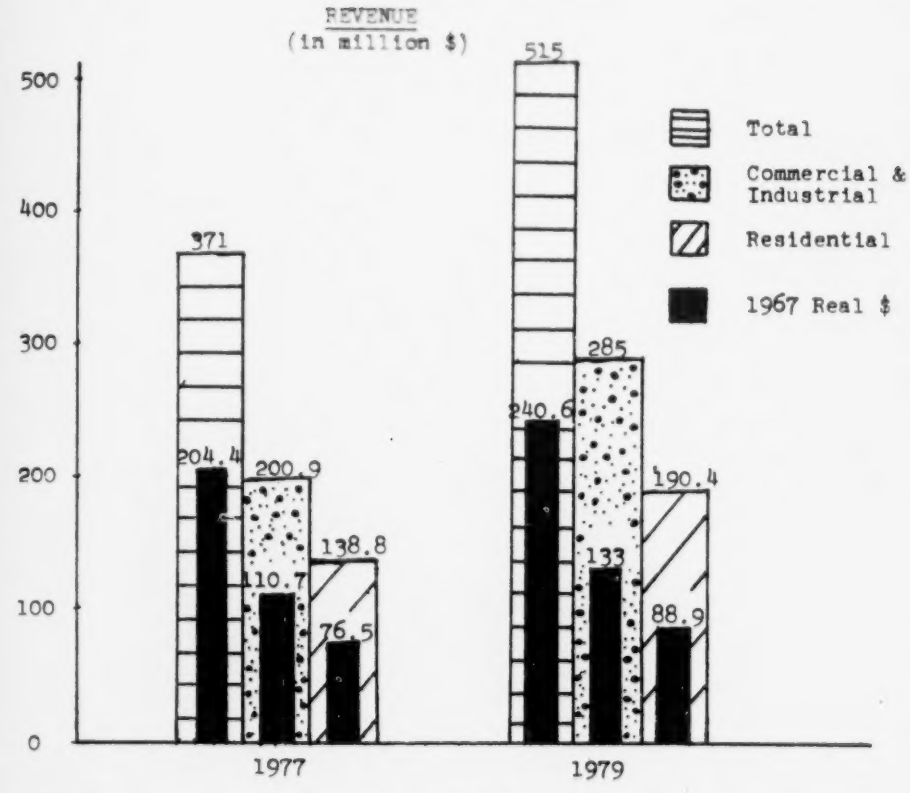
IN

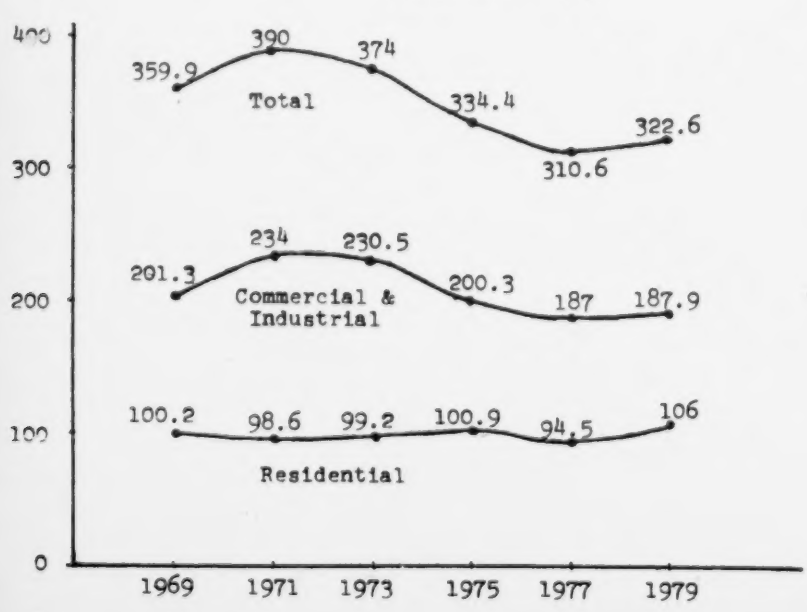
ELECTRIC REVENUES AND CONSUMPTION (KWH)

1977 to 1979



GAS DEMAND AND REVENUE



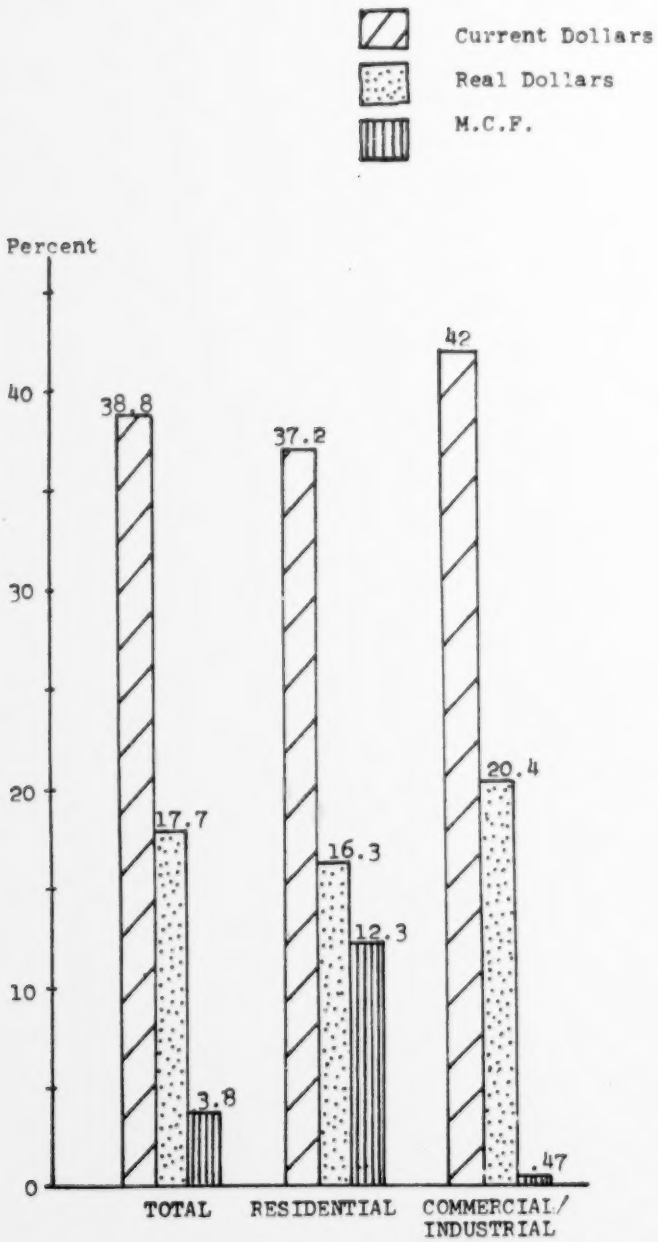


PERCENTAGE CHANGE

IN

GAS REVENUES AND CONSUMPTION (M.C.F.)

1977 to 1979

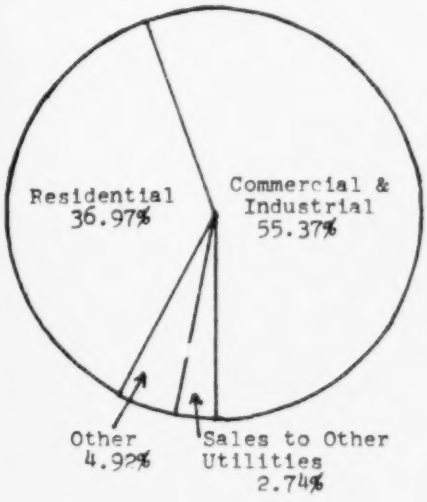


GAS AND ELECTRIC REVENUE AND CONSUMPTION

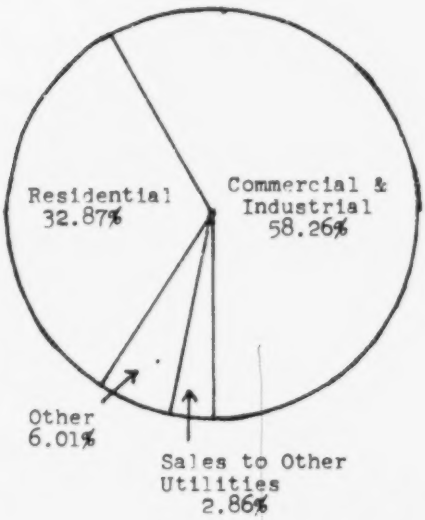
BY CUSTOMER CLASS (1977 - 1979)

GAS

REVENUE

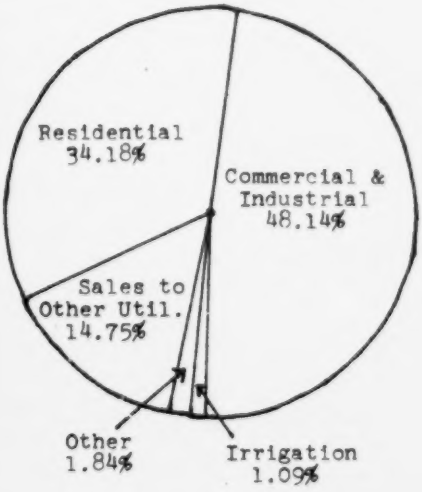


M.C.F.

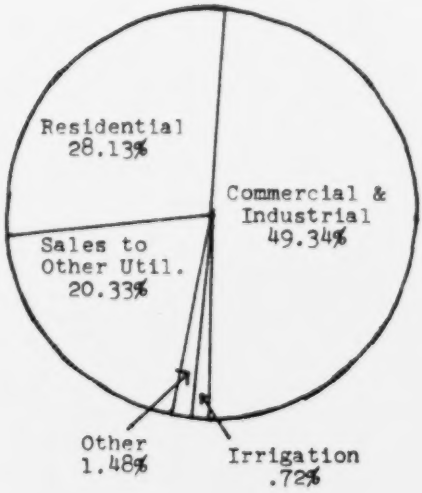


ELECTRIC

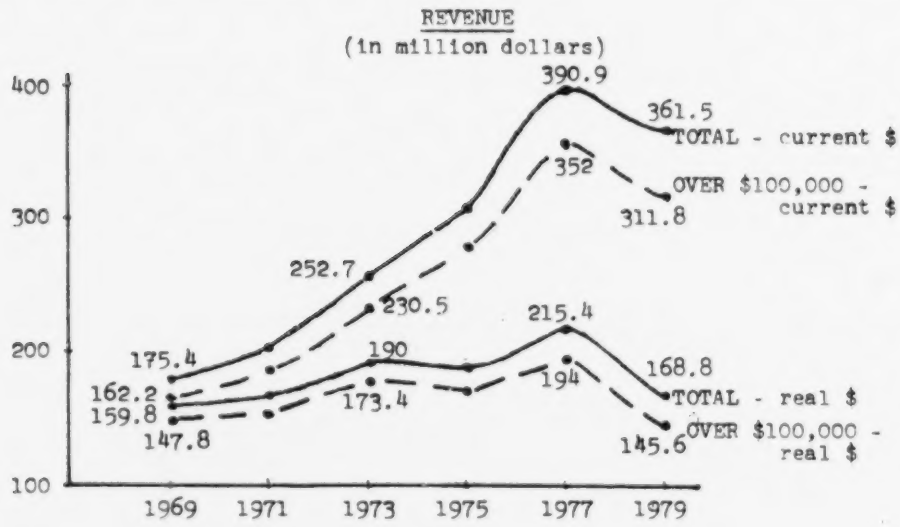
REVENUE

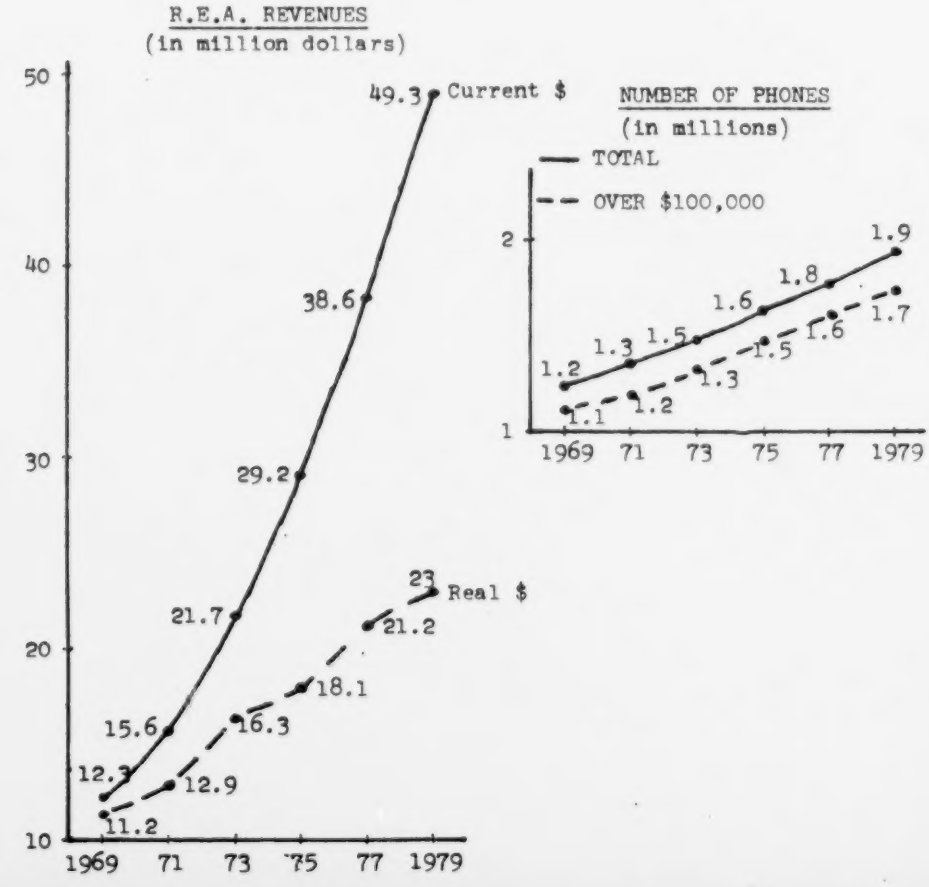


KWH



TELEPHONE REVENUE AND NUMBER OF PHONES





STATE CORPORATION COMMISSION
POSITION INVENTORY

Fiscal Year Ended June 30, 1979		Fiscal Year Ended June 30, 1980	
GENERAL AND ADMINISTRATIVE			
1.0	Commissioner, Chairman	1.0	Commissioner, Chairman
2.0	Commissioner	2.0	Commissioner
1.0	Executive Secretary	1.0	Executive Secretary
1.0	Public Relations Director II	1.0	Public Relations Director II
4.0	Attorney - Level A	1.0	Management Analyst II
1.0	Attorney - Level B	3.0	Attorney - Level A
1.0	Attorney - Level C	1.0	Attorney - Level B
1.0	Attorney - Level D	3.0	Attorney - Level C
1.5	Law Clerk	1.0	Attorney - Level D
1.0	Account Clerk I	1.5	Law Clerk
2.0	Account Clerk II	1.0	Account Clerk I
1.0	Accountant II	2.0	Account Clerk II
2.0	Administrative Officer I	1.0	Accountant II
2.0	Official Reporter	3.0	Administrative Officer I
5.0	Secretary II	2.0	Official Reporter
1.0	Secretary III	1.0	Personnel Officer I
2.0	Clerk II	3.0	Secretary I
6.0	Clerk Typist II	5.0	Secretary II
1.0	Storekeeper II	1.0	Secretary III
36.5		2.0	Clerk II
		4.0	Clerk Typist II
		1.0	Storekeeper II
		41.5	
UTILITIES			
1.0	Director	1.0	Director
1.0	Accountant I	1.0	Accountant I
1.0	Admininstrative Officer I	1.0	Administrative Officer I
1.0	Clerk Steno II	1.0	Clerk Steno II
1.5	Clerk Typist II	1.5	Clerk Typist II
3.0	Engineering Technician II	3.0	Engineering Technician II
1.0	Engineering Technician II	1.0	Engineering Technician III
1.0	Secretary II	1.0	Secretary II
1.0	Word Processing Typist I	1.0	Work Processing Typist I
1.0	Chief Engineer	1.0	Chief Engineer
1.0	Chief Regulatory Auditor	1.0	Chief Regulatory Auditor
1.0	Project Engineer	1.0	Engineer
2.0	Rate Design & Dep. Analyst	2.0	Rate Design & Dep. Analyst
3.0	Senior Regulatory Auditor	3.0	Senior Regulatory Auditor
1.0	Utilities Compliance Admin.	1.0	Utilities Compliance Admin.
1.0	Utilities Economist I	1.0	Utilities Economist I
1.0	Utilities Economist II	1.0	Utilities Economist II
2.0	Utilities Engineer I	8.0	Utilities Engineer II
6.0	Utilities Engineer II	6.0	Utilities Regulatory Aud. II
6.0	Utilities Regulatory Aud. II	36.5	
36.5			
SPECIAL PROJECTS			
		1.0	Administrator
		1.0	Economist
		1.0	Engineer
		1.0	Systems Analyst
		1.0	Attorney
		1.0	Computer Programmer
		1.0	National Energy Act Specialist
		7.0	

STATE CORPORATION COMMISSION
POSITION INVENTORY

Fiscal Year Ended June 30, 1979		Fiscal Year Ended June 30, 1980	
	SECURITIES		
1.0	Securities Commissioner	1.0	Securities Commissioner
1.0	Attorney	1.0	Attorney
2.0	Auditor I	2.0	Auditor I
1.0	Auditor II	1.0	Auditor II
1.0	Chief Sec. Reg. Auditor	2.0	Auditor/Investigator III
2.0	Clerk Typist II	1.0	Chief Sec. Reg. Auditor
1.0	Secretary I	2.0	Clerk Typist II
9.0		1.0	Secretary II
		11.0	
	TRANSPORTATION MOTOR CARRIER RATES		
1.0	Administrator of Transp. Div.	1.0	Administrator of Transp. Div.
1.0	Supv. Common Carrier Rates	1.0	Supv. Common Carrier Rates
1.0	Administrative Officer I	2.0	Admininstrative Officer I
7.0	Clerk I	3.0	Clerk I
3.0	Clerk II	1.0	Clerk II
3.0	Clerk III	8.0	Clerk III
1.0	Clerk IV	1.0	Clerk IV
1.0	Clerk V	1.0	Clerk Typist I
7.0	Clerk Typist I	5.0	Clerk Typist II
10.0	Clerk Typist II	1.0	Clerk Steno II
3.0	Clerk Steno II	1.0	Railroad Track Inspector
1.0	Railroad Track Inspector	1.0	Railroad Track Insp. Supv.
1.0	Railroad Track Insp. Supv.	1.0	Secretary II
1.0	Secretary II	3.0	Special Investigator
3.0	Special Investigator	1.0	Word Processing Typist I
1.0	Word Processing Typist I	1.0	Word Processing Typist II
1.0	Attorney A	1.0	Attorney A
46.0		33.0	
	CONSERVATION		
1.0	Administrator	1.0	Administrator
1.0	Account Clerk II	1.0	Account Clerk II
1.0	Administrative Officer I	1.0	Administrative Officer I
1.0	Clerk Steno II	1.0	Administrative Officer II
4.0	Clerk Typist II	1.0	Clerk Steno II
2.0	Duplicating Machine Oper. II	4.0	Clerk Typist II
3.0	Petroleum Proration Analyst	2.0	Duplicating Machine Oper. II
2.0	Petorleum Proration Supv.	4.0	Petroleum Proration Analyst
23.0	Petroleum Technician I	1.0	Petroleum Proration Supv.
2.0	Petroleum Techincian II	20.0	Petroleum Technician I
1.0	Secretary I	2.0	Petroleum Technician II
41.0		1.0	Secretary I
		1.0	Word Processing Typist I
		40.0	
	MINED LAND DIVISION		
1.0	Executive Director	1.0	Executive Director
1.0	Mine Inspector Supv.	1.0	Mine Inspector Supv.
1.0	Secretary II	1.0	Secretary II
3.0		3.0	
Total Positions FY 1979		Total Positions FY 1980	
172.0		172.0	

DISTRIBUTION OF EXPENDITURES
STATE CORPORATION COMMISSION

July 1, 1978 through June 30, 1979

	Salaries	Contractual Services	Commodities	Capital Outlay	Refunds	Total Expended
PUBLIC SERVICES REGULATION	729,999.87	614,653.19	12,901.01	17,194.03	5.00	1,374,753.10
SECURITIES	196,335.26	42,144.00	3,421.58	2,833.30	370.00	245,104.14
MOTOR CARRIER	650,133.84	228,271.02	88,205.60	8,191.32	27,922.75	1,002,724.53
CONSERVATION	587,892.17	199,787.90	13,410.57	991.81	---	802,082.45
GAS PIPELINE INSPECTION	10,427.42	---	---	---	---	10,427.42
MINED LAND CONSERVATION	6,900.63	1,722.92	7.95	---	50.00	8,681.50
NATIONAL SURFACE MINING	22,615.05	7,623.71	3,769.06	28,365.55	---	62,373.37
ORGANIZATIONAL IMPROVEMENT	---	18,914.00	---	---	---	18,914.00
OIL PRORATION	(45.49)	1,983.61	170.65	3.89	---	2,112.66
NATURAL GAS CONSERVATION	(779.77)	8,350.69	2.64	46.64	---	7,620.20
OIL WELL PLUGGING	(54.16)	1,364.21	.22	3.89	---	1,314.16
ABANDONED WELL PLUGGING	(17.32)	120.77	---	---	---	103.45
	2,203,407.50	1,124,936.02	121,889.28	57,630.43	28,347.75	3,536,210.98

COMMISSIONERS, ADMINISTRATIVE AND LEGAL DIVISION

Commission Members

The Commission lost three members during 1978-79. Tom Van Bebber, whose term expired in March, 1979, was replaced by Harold Houske, who died in July, 1979, four months after being appointed to Commission. Also leaving the Commission was William Gray, whose term expired in March, 1980.

Mrs. Jane T. Roy, of Topeka, was appointed to complete Mr. Houske's term. She is a graduate of Washburn University in Topeka and holds a Juris Doctorate degree. Prior to serving on the Commission, Mrs. Roy was Deputy District Court Trustee for the Shawnee County District Courts. Her term will expire March 20, 1983.

Phillip R. Dick, of Garden City, was appointed to replace Mr. Gray. He is a Certified Public Accountant and is a partner in a CPA firm in Garden City. Prior to serving on the Commission, Mr. Dick also was president of Garden City Area Industrial Development Corporation. His term expires March 20, 1984.

In 1978, R. C. "Pete" Loux was reappointed to a second four-year term on the Commission. In March, 1979, he was elected Chairman of the Commission. Mr. Loux's term will expire March 20, 1982. Mr. Loux is a Certified Public Accountant, and is chairman of the Committee on Accounting for the National Association of Regulatory Utility Commissioners.

OTHER PERSONNEL CHANGES

In December, 1979, the Commission appointed Carol J. Larson to the position of Executive Secretary.

In June, 1980, William E. Green was appointed Administrator of Transportation. Mr. Green previously was the Commission's management analyst and replaces Ray McKinley who retired after working for the Commission for 40 years.

In September, 1980, the Commission appointed Theresia M. Sculley to the position of Administrator of the Special Projects Division.

Administrative Department

The Chairman and the Commissioners determine regulatory policy. The Executive Secretary is responsible for accurately reflecting this policy in carrying out the duties and responsibilities of the Administrative Department. The Executive Secretary is the official recording officer for all official documents of the Commission including notices, orders, citations, and related documents as well as agency contracts. This individual supervises the preparation of the agency budget and advises the Commission on the status of the Commission financing, and supervises the Administrative Department's various service sections:

Accounting: This section maintains financial records on expenditures, receipts, encumberances, payroll, inventory, federal grants, assessments, and accounts receivable transactions.

Personnel: This section is responsible for personnel employment transactions, personnel transactions related to fringe benefits and for record keeping on annual and sick leave. The Personnel Section also assists in evaluating position descriptions, recruiting new employees, and for planning employee training sessions.

Supply and Reproduction: This section is responsible for maintaining adequate supplies, for mail pick-up and delivery, and for reproduction and microfilming documents as required by the Commission's Topeka divisions.

Official Reporting: This section is responsible for recording all formal hearings before the Commission and for preparation of transcripts when requested by the Commission and the general public.

Documents: This section is responsible for recording and assigning docket numbers to all official appearance dockets and for routing these to the proper divisions. All incoming mail is processed and distributed and most formal orders of the Commission are mailed out by docket room staff.

Management Analyst: This individual is responsible for long-range organizational planning and for undertaking specific assignments related to increasing the efficiency and the effectiveness of operations within the different divisions. For example, in FY 1980, the Management Analyst, working with the Transportation Division staff, implemented some of the recommendations for extensive changes in the Transportation Division recommended in the 1978 Deloritte, Haskins and Sells Organizational Study of the Commission.

Legal Department

The Legal Department provides legal assistance to the Commissioners and to other Divisions for matters under the jurisdiction of the Commission. It is responsible for representing staff positions and the public generally in hearings before the Commission, and represents the Commission during appeals before the various state and federal courts. It also represents the Commission and the State of Kansas in hearings before various federal regulatory commissions and agencies in cases where Kansas has an interest. The majority of such hearings are before the Federal Energy Regulatory Commission and the Interstate Commerce Commission.

The legal staff prepares hearing notices, orders, memorandum opinions, briefs, contracts, and other necessary legal documents for the Commission. Rules and regulations which govern the actions of the Commission and its staff, or the Mined-Land Conservation and Reclamation Board and staff, are written and carried through the promulgation process by members of the Legal Division.

When legislative committees consider bills which affect the Commission, members of the legal staff are often called upon to prepare and present testimony to reflect the position of the Commission. They also provide legal information to legislators and the Governor's office on request.

Several members of the Legal Division have been appointed as Special Assistants to the Attorney General for the limited purpose of representing the State of Kansas in public utility and surface coal mining regulatory or enforcement matters. These appointments are necessary because of the level of expertise involved and the need to avoid duplication of effort by state attorneys.

The coordination of efforts to comply with newly-enacted federal energy laws is also a duty of the Legal Division. With the advent of national concern for public utility regulation and energy conservation, a variety of laws have been passed which require state compliance. The Legal Division is responsible for analyzing these laws and assisting the Commission in program development from a legal standpoint. Federal laws which have affected the Commission include the Public Utility Regulatory Policies Act of 1978, the Natural Gas Policies Act, and the Surface Mining Control and Reclamation Act of 1977.

Each member of the legal staff is responsible for monitoring developments in his or her field of expertise as well as general ratemaking trends. Conferences and seminars are attended when practical and necessary to meet this responsibility.

THE TRANSPORTATION DIVISION

The Transportation Division, as authorized by Chapter 66, Kansas Statutes Annotated, assists the Commission in the regulation of motor carriers of property (common, contract and private carriers), railroads, and express and pipeline common carriers. This division is also responsible for implementing and administering related rules, regulations and policies adopted by the Commission.

The Transportation Division assists the Commission in carrying out its responsibility by: (1) processing applications for operating authority, (2) registering motor carrier equipment, (3) processing formal and informal rate requests, (4) processing requests for transfers, expansion, consolidation and elimination of service, (5) reviewing accounting reports filed in accordance with Commission guidelines, and (6) conducting investigations, and administering the safety program of regulated carriers transportating persons and property in Kansas.

The primary concern of the division in assisting the Commission in the administration of the above outlined areas is to insure that the transportation system meets the needs of the State in the most efficient manner, and that the rates charged are fair and reasonable to the carriers, shippers and the consuming public.

The Transportation Division consists of a motor carrier application and registration section along with separate rate and inspection sections.

The Motor Carrier Application and Registration Section processed 5,145 applications during the biennium for certificates of authority and requests for transfers, expansion, consolidation and elimination of service. Of these, 3,069 applications were granted, 1,745 were dismissed, denied or cancelled, 159 were amended and 172 were still pending on June 30, 1980. There are 15,075 motor carriers registered in Kansas using 215,984 pieces of registered equipment; 4,962 common carriers with 160,789 pieces of equipment, 9,353 private carriers with 44,461 units, and 760 contract carriers with 10,734 pieces of equipment registered as of June 30, 1980.

During fiscal year 1980, 442 or 2.9% of registered carriers reported to the Commission 703 accidents involving $2,000 or more in damages that caused 416 injuries and 44 fatalities. Common carriers were involved in 56.1% of these accidents while private carriers were responsible for 34.4%, and passenger carriers 0.5%.

The Rate Section of the Transportation Division assists the Commission in the administration of railroads and other common and contract carriers engaged in the transportation of persons or property in Kansas. During the two year period from July 1, 1978, to June 30, 1980, the Rate Section processed 105 intrastate applications filed by the regulated motor, railroad and pipeline carriers. Seventy of these formal filing required public hearings. The Rate Section conducted various field checks and audits to determine compliance with federal voluntary price guidelines, shipper notification requirements and carrier justification statements. Informal tariff filing hearings were conducted to give the regulated carriers the opportunity to present compliance documentation. Of the 189 tariff filings presented, 149 were granted, producing an estimated total revenue of $1,736,336 to regulated carriers. The remaining 32 informal tariffs with a $953,449 price tag were rejected.

The Transportation Division compiled various statistics on the nine railroad companies operating in Kansas. A total of 1,417,789 train miles were logged on 7,779 miles of track carrying 29.9 million tons of payload originating in Kansas, while 20.2 million tons reached their final destination in Kansas. These 750,914 carloads generated estimated revenues of $582,800,000.

During 1978 and 1979, there were 546 railroad derailments and collisions. In 1979, 43.4% of the accidents were caused by track, roadbed and structures, 25.7% were a product of employee error, and the remaining 30.9% were attributed to equipment and other causes. These derailments and collisions were located 53.2% of the time on siding or industry track, while 46.8% occurred on the main or branch lines.

Five hundred twenty seven railroad crossing accidents caused 217 injuries and 38 fatalities during the biennium. Fifty nine percent of these accidents occurred during the day, 68% of the time at crossings with no stop signs or other safety protections.

SUMMARY OF APPLICATION PROCESSED BY THE TRANSPORTATION DIVISION DURING FY 1980

INTRASTATE COMMON APPLICATIONS

Intrastate Certificates Issued	41
Transfer of Intrastate Certificates	103
Extension of Intrastate Certificates	68
Transfer a Portion of Certificates	5
Abandonment of Certificates	5
Joint and Dual Registration of Equipment	4
Applications for Rehearing	5
Applications Dismissed	26
Applications Denied	10

INTRASTATE CONTRACT CARRIER APPLICATIONS

	DOMESTIC	FOREIGN	TOTAL
Granted	16	3	19
Cancelled	15	14	29

PRIVATE CARRIER APPLICATIONS

	DOMESTIC	FOREIGN	TOTAL
Granted	634	648	1282
Cancelled	606	428	1034

EXEMPT ICC APPLICATIONS

GRANTED	CANCELLED	PENDING
1,034	602	83

INTERSTATE (ICC) APPLICATIONS

GRANTED	CANCELLED	AMENDED	PENDING
503	44	159	89

SUMMARY OF MOTOR CARRIER EQUIPMENT REGISTERED WITH THE STATE CORPORATION COMMISSION AS OF JUNE 30, 1980

Number of pieces of equipment registered to common carriers	160,789
Number of pieces of equipment registered to private carriers	44,461
Number of pieces of equipment registered to contract carriers	10 734
TOTAL NUMBER OF PIECES OF EQUIPMENT REGISTERED WITH THE STATE CORPORATION COMMISSION AS OF JUNE 30, 1980	215,984

SUMMARY OF MOTOR CARRIERS REGISTERED WITH THE STATE CORPORATION COMMISSION AS OF JUNE 30, 1980

COMMON CARRIERS

Number of interstate common carriers	3,935
Number of intrastate common carriers	450
Number of intra & interstate common carriers	577
TOTAL NUMBER OF COMMON CARRIERS REGISTERED WITH THE STATE CORPORATION COMMISSION AS OF JUNE 30, 1980	4,962

PRIVATE CARRIERS

Number of Kansas based private carriers	5,829
Number of out of state based private carriers	3,524
TOTAL NUMBER OF PRIVATE CARRIERS REGISTERED WITH THE STATE CORPORATION COMMISSION AS OF JUNE 30, 1980	9,353

CONTRACT CARRIERS

Number of Kansas based intrastate contract carriers	103
Number of Kansas based interstate contract carriers	31
Number of Kansas based inter & intrastate contract carriers	23
Number of out of state based intrastate contract carriers	12
Number of out of state based interstate contract carriers	591
Number of out of state based intra & interstate contract carriers	0
TOTAL NUMBER OF CONTRACT CARRIERS REGISTERED WITH THE STATE CORPORATION COMMISSION AS OF JUNE 30, 1980	760

TOTAL NUMBER OF MOTOR CARRIERS REGISTERED WITH THE STATE CORPORATION COMMISSION AS OF JUNE 30, 1980	15,075

CITATIONS ISSUED IN FY 1980

Citations continued from FY 1979	0
Citations set for hearing FY 1980	670
Citations Heard	514
Citations continued into FY 1981	156
Citations cancelled and dismissed	514

	CANCELLED	DISMISSED
Inter and intrastate common carriers (regular & exempt)	129	326
Inter and intrastate contract carriers	31	28
	160	354

REINSTATEMENTS

Number of carrier's (inter and intrastate common and contract carriers) authorities cancelled following a Citation Hearing; authority later reinstated 38

SUMMARY OF MOTOR CARRIER FATALITIES, INJURIES AND ACCIDENTS WITH PROPERTY DAMAGE OVER $2,000 REPORTED TO THE STATE CORPORATION COMMISSION IN FY 1980

COMMON CARRIERS

Number of carriers involved in accidents	248
Number of accidents reported to Commission	419
Percentage of all reported accidents	59.6
Number of injuries	251
Percentage of all reported injuries	60.3
Number of fatalities	23
Percentage of all reported fatalities	52.3

PRIVATE CARRIERS

Number of carriers involved in accidents	152
Number of accidents reported to Commission	178
Percentage of all reported accidents	25.3
Number of injuries	96
Percentage of all reported injuries	23.1
Number of fatalities	15
Percentage of all reported fatalities	34.1

PETROLEUM CARRIERS

Number of carriers involved in accidents	40
Number of accidents reported to Commission	104
Percentage of all reported accidents	14.8
Number of injuries	68
Percentage of all reported injuries	16.3
Number of fatalities	6
Percentage of all reported fatalities	13.6

PASSENGER CARRIERS

Number of carriers involved in accidents	2
Number of accidents reported to Commission	2
Percentage of all reported accidents	.3
Number of injuries	1
Percentage of all reported injuries	.2
Number of fatalities	0
Percentage of all reported fatalities	0

TOTAL

Number of carriers involved in accidents	442
Number of accidents reported to Commission	703
Percentage of carriers reporting accidents	2.9
Number of injuries	416
Percentage of accidents reporting injuries	59.2
Number of fatalities	44
Percentage of accidents reporting fatalities	6.3

Total number of motor carriers registered with the State Corporation Commission as of June 30, 1980	15,075

DISTRIBUTION OF EXPENDITURES
STATE CORPORATION COMMISSION

July 1, 1979 through June 30, 1980

	Salaries	Contractual Services	Commodities	Capital Outlay	Refunds	Total Expended
PUBLIC SERVICE REGULATION	1,154,752.47	1,170,769.13	22,710.07	21,238.44	-0-	2,369,470.11
SECURITIES	251,096.53	62,708.46	6,778.24	3,894.95	521.00	324,999.18
MOTOR CARRIER	621,685.69	236.027.12	104,941.64	10,217.56	25,372.00	998.244.01
CONSERVATION	659,617.08	252,436.83	18,392.17	24,332.30	-0-	954,778.38
GAS PIPELINE INSPECTION	-0-	112.23	56.34	-0-	-0-	168.57
MINED LAND CONSERVATION	13,784.90	3,468.49	58.85	57.20	-0-	17,369.44
NATIONAL SURFACE MINING	82,177.10	46,641.99	5,320.03	7,955.27	-0-	142.094.39
PUBLIC UTILITY REGULATORY POLICIES ACT	31,056.67	12,204.81	28.18	-0-	-0-	43,289.66
	2,814,170.44	1,784,369.06	158,285.52	67,695.72	25,893.00	4,850,413.74

DERAILMENTS AND COLLISSIONS OCCURRING IN KANSAS ON ALL RAILROADS YEAR: 1978

MONTH	CAUSE OF DERAILMENT OR COLLISION				TYPE OF TRACK INVOLVED			TOTAL DERAILMENTS AND COLLISIONS	TOTAL ESTIMATED COST
	TRACK, ROADBED AND STRUCTURES	EQUIPMENT	EMPLOYEE ERROR	OTHER	MAINLINE	BRANCH LINE	YARD, SIDING OR INDUSTRY		
January	9	1	6	1	2	0	15	17	$ 92,992
February	20	2	0	0	3	1	18	22	161,782
March	15	2	11	2	7	2	21	30	276,462
April	15	6	5	2	8	4	16	28	370,106
May	11	4	6	3	9	2	13	24	462,853
June	14	3	5	2	7	3	14	24	244,183
July	18	4	6	0	8	2	18	28	447,847
August	10	4	11	0	7	4	14	25	178,557
September	6	5	3	2	10	1	5	16	329,285
October	7	4	11	2	8	1	15	24	357,877
November	9	3	2	0	6	0	8	14	749,724
December	13	2	5	9	14	4	11	29	1,082,451
T O T A L	147	40	71	23	89	24	168	281	$ 4,754,119

SOURCE: Monthly accident reports filed with this Commission by Kansas Railroads.

SUMMARY OF HIGHWAY GRADE CROSSING ACCIDENTS IN KANSAS

ALL RAILROADS

	CALENDAR YEAR	
	1978	1979
Fatalities resulting from auto-train Collisions	23	15
Injured persons resulting from auto-train Collisions	114	103
Number of accidents occurring during daylight hours	156	157
Number of accidents occurring during hours of darkness	107	107
Number of accidents occurring in clear weather	165	183
Number of accidents occurring in inclement weather	98	81
Number of accidents involving freight trains	211	207
Number of accidents involving passenger trains	4	6
Number of accidents involving yard, work or other trains	48	51
Number of accidents occurring at crossings Protected by audible or visual signals or other active device	81	85
Number of accidents occurring at crossing With standard crossbuck, stop sign or no protection whatsoever	182	179
Number of accidents where vehicle ran into side of train	94	87
Number of accidents where train ran into vehicle on tracks	169	177
Total Highway Grade Crossing Accidents	263	264

SOURCE: Monthly accident reports filed with this Commission by Kansas Railroads.

UTILITIES DIVISION

The Utilities Division assists the Commission in the administration of public utility laws as they apply to public utilities rendering electrical, gas, telephone, telegraph and water service. The Utilities Division assists the Commission by certifying utility territories, recommending rates of service, evaluting the type and quality of services provided, supervising accounting procedures and reports, and insuring that the utilities meet adequate capital formation, debt and security requirements. All division activities are designed to meet the Commission's purpose of insuring efficient utility service at fair and reasonable rates.

Commission rules and regulations permit the Commission to oversee the operation, maintenance and construction of utility facilities in a safe and efficient manner. The Commission and its staff review and approve the siting and construction of electric generating plants and transmission lines along with certain second and third class city water improvements, flood control, and bridge and construction plans.

Organization

The Division of Utilities, organized by major work programs, consists of an Economic Section, Accounting Section, and Engineering Section.

Economic Section

The Economics Section currently consists of two Utilities Economists whose primary responsibility is to determine the reasonable return to be allowed on the rate base of a utility which has applied to the Commission to increase (or, less likely, decrease) the rates charged it's customers. A fundamental truism of public utility regulation is that a public utility should be authorized to collect total revenues equal to it's total cost of service. This cost of service is defined as the sum of a) proper operating expenses; b) depreciation; c) taxes; and d) a reasonable return. It is on this foundation that the work of the Economic Section is conducted.

Accounting Section

The accounting staff of the Utilities Division has the following responsibilities: a) processing rate applications filed by the utilities under Commission jurisdiction; b) processing accounting applications for amortization orders, depreciation rate changes, and other changes; c) processing security applications of public utilities; d) reviewing annual reports filed with the Commission. These annual reports are examined to determine compliance, mathematical accuracy, large fluctuations compared with previous years, possible excessive rates of return, or other problems needing the attention of the staff or the Commission.

Engineering Section

This Section of the Utilities Division deals with two areas; rates, and safety and administrative. The rates unit has general responsibility for rate design, the determination of appropriate depreciation rates, and the implementation of the Comission's generic order dealing with purchase gas adjustment clauses and energy cost adjustment clauses. The safety and administrative unit establishes and monitors rate tariffs, gas pipeline safety, consumer complaints, and numerous related matters.

During the biennial period of July 1, 1978, through June 30, 1980, the following statistics were complied for each utility:

Electric Utilities

Electric utilities consisting of 18 municipal units, 37 Rural Electric Associations (REA's) and 7 privately-owned companies generated a electric sales for 1979 calendar year totaling $823,557,189. This amounted to a $26.9% (7.5% in 1967 dollars) increase since 1977. Residential revenues grew 24% (5% in 1967 dollars) while commercial and industrial revenue grew 29% (9.3% in 1967 dollars). Electric kilowatt hour (kwh) consumption grew 5.8% during the biennium to a total

of 22.3 billion kwh. Residential consumption grew 6% for a total of 6.275 billion kwh while commercial and industrial electric consumption increased 9% for a total of over 11 billion kwh. The average number of electrical consumers rose 6% to 827,084 for the biennium.

Electric transmission and distribution line applications accounted for 641 miles of approved converted lines, 445 miles of retired lines and 2,017 miles of new construction. Of that total, 423 miles went to 4,327 new rural and domestic customers while 558 miles went to 1,019 commercial and industrial customers. The total cost for retiring, converting and constructing new lines was $46,257,013.

The Commission annually prepares a rural electrification survey that determines the progress of rural electrification in Kansas. Rural electric associations (REA's) served 57.5% of the 216,836 customers surveyed while 38.6% and 3.9% were served by privately owned utilities and municipalities respectively.

Gas Utilities

The 22 gas public utilities and 18 municipal utilities within the Commission's jurisdiction sold 322,558,343 mcf of gas to an average of 677,928 Kansas consumers in 1979. Revenues increased 39% (17.7% in 1967 dollars) generating $515,160,847. Demand for natural gas rose 4% in 1978-1979 following a trend of declining consumption since 1971. Residential consumption alone jumped by 12%.

Communication Utilities

One thousand three hundred forty-one telephone and telegraph subscribers were provided 478.67 miles of extension at a cost of $2,106,144. At the end of 1979 there were 1,933,350 telephones in service generating revenue of $361,505,701 for the 48 telephone companies. Fourteen radio telephone companies served 5,125 Kansas subscribers in over 36 community regions developing operating revenues of $2,431,660.

Water Utilities

Seven water companies served 12,707 customers in Kansas generating $1.5 million in revenues.

Also during the biennial period, the Commission:

* resolved 1336 informal and 20 formal utility complaints
* approved 13 telephones base area rate revisions which eliminated or reduced mileage charges
* reviewed municipal water works projects for 18 Kansas municipalities
* granted 207 electric, gas, telephone and water utility applications for new territories, mergers and transfers
* handled 658 formal utility regulation cases involving 958 utility orders

THE SECURITIES DIVISION

The Securities Division is responsible for the administration and enforcement of the provisions of the Kansas Securities Act (hereinafter referred to as the "Securities Act") (K.S.A. 17-1252 et. seq.) and the Kansas Uniform Land Sales Practices Act (hereinafter referred to as the "Land Sales Act") (K.S.A. 58-3301 et. seq.). The primary responsibility of the Securities Commissioner is to assure that both statutes are administered to protect the interests of Kansas investors but do not inhibit the legitimate capital formation processes within the state. The Securities Division aids in assuring the investment decisions by Kansans are informed decisions, undertaken with an awareness of the risks and opportunities presented by the various alternative investment programs offered or distributed. Under both the Securities Act and the Land Sales Act, these goals are accomplished, in part, by registering speculative securities and subdivided lands transactions with the Division before an offer or sale made. Further, broker-dealers and their agents who market or distribute securities are required to undergo a registration, examination, financial audit and annual re-registration process.

To further provide for investor protection and to foster integrity within the capital marketplaces of the state, both the Securities Act and the Land Sales Act authorize the Securities Commissioner to enforce compliance of either act. The Kansas statutes provide that whenever it appears to the Securities Commissioner that any person has engaged or is about to engage in any act or practice violating any provision of the Securities Act or the Land Sales Act, the Securities Commissioner is authorized to investigate and enforce compliance with either Act by bringing an action in any court of competent jurisdiction to enjoin the unlawful practices. (K.S.A. 17-1266 and K.S.A. 58-3310 (c)). In addition, the Land Sales Act grants the Securities Commissioner the power to issue Cease and Desist orders to deter violations. The enforcement cases encountered ordinarily involve one or more of the following violations: fraud or misrepresentation (including omissions or failures to state material facts) in the offer, purchase or sale of securities or subdivided lands; offers or sales of securities by unregistered broker-dealers or agents; or the filing of false or misleading statements with the Securities Commissioner. Most of the allegations of wrongful conduct primarily involve Kansas based individuals, partnerships and smaller corporations who have or are offering a potpourri of securities or investment contracts that include common stocks, municipal bonds, oil and gas leases, coal leases, subdivided lands, or many other investment-type contracts. Although some of these securities initially may have been sold in reliance upon an exemption from registration, there are no exemptions from the anti-fraud provisions of the Securities Act. (K.S.A. 17-1253).

Since the Consumer Protection Act administered by the Kansas Attorney General specifically excludes securities transactions from its coverage (K.S.A. 50-624 (c)), the Securities Division is the state law enforcement agency empowered to investigate such matters. It is not uncommon for individual securities enforcement cases to involve numerous investors and potential investor financial losses in excess of $1,000,000.

To demonstrate the scope of enforcement problems, the table below indicates the current case load of enforcement activities during the biennium period.

		FY 1978	FY 1979
1.	Complaints and General Inquiries	149	226
2.	Investigations Initiated	97	120
3.	Investigations Closed	87	111
4.	Cease and Desist Orders	3	12
5.	Orders of Denial, Suspension or Revocation of Registration:		
	(a) Securities	2	3
	(b) Broker-dealers	0	0
	(c) Securities Agents	2	0
6.	Temporary Injunctions Granted	0	0
7.	Permanent Injunctions Granted	0	0
8.	Criminal Referrals to the Attorney General or a District Attorney	4	23
9.	Criminal Charges Filed	1	10
10.	Criminal Convictions	0	7
11.	Restitution	$204,341	$1,111,739

In part through its deterrent effect, securities enforcement aids in the attainment of investor protection and provides numerous benefits. Securities enforcement:

1. Enhances the legitimate capital formation processes vital to the economic growth and well being of Kansas;

2. Improves investor confidence and protection while fostering investor goodwill toward state government;

3. Creates a favorable climate for the conduct of legitimate business and financial dealings; and

4. Preserves and protects the valuable reputations of legislative brokerage firms and securities issuers.

The Securities Division has the responsibility to annually review and evaluate approximately 500 securities registrations valued between $600 million and $1 billion, and to review approximately 13 subdivided land registrations valued between $20 and $50 million. The Securities Division annually licenses about 25 new broker dealers and 700-1000 new agents, and re-registers approximately 220 broker dealers and over 2,500 agents. At least 100 industrial revenue bond "notice" filings are also reviewed annually.

The Securities Division annually renders about 300 interpretative opinion and exemption requests involving an estimated $1 billion in securities. Complaints concerning securities and subdivided land transactions are also investigated, and compliance is enforced when violations occur.

In the last three years, securities registered for sale in Kansas totaled $2,150,426,018 and ranged from a low of $421,090,528 in FY 1978 to a high of $1,119,409,134 in FY 1980.

The Securities Division strives for investor protection and public confidence in the capital markets. These twin goals are accomplished by the complete review of complex securities and land sales registration application materials and their supporting financial documents to assure adequate and accurate disclosures of past and proposed activities of the issuers and the uses of investor monies. The Securities Division has the responsibility to insure that broker-dealers and agents entrusted with the investor's monies meet at least minimum standards of trustworthiness and are financially sound.

MINED-LAND CONSERVATION AND RECLAMATION BOARD

The Mined Land Conservation and Reclamation Board regulates surface mining reclamation and restoration of lands to a useable condition after mining operations have ceased. The board is responsible for the enforcement of policies to comply with the National Surface Mining Control and Reclamation Act of 1977 and Kansas law.

The Commission chairman serves as the chairman of this thirteen member board. The other members are appointed by the Governor and include one representative of the State Geological Survey; the Department of Economic Development; the State Conservation Commission; the State Board of Agriculture; the State Forestry, Fish and Game; the State Water Resources Board; the Division of Environment of the Department of Health and Environment, plus one member of the employees of mine operators, one operator of surface type mines, two landowners who are cooperators of a local Soil Conservation District and two representatives of the general public.

The board was transferred from the Labor Department of the State Corporation Commission in 1974. In 1978 the legislature amended the statues to direct the board to administer the United States Department of Interior, Office of Surface Mining Reclamation and Enforcement regulation promulgated by the National Surface Mining Control Act of 1977 (public law 95-87).

The rules and regulations developed to deal with federal and state law provide for the administration of all the board activities. They require that all surface mining operators must have a valid permit issued by the board which designates the authorized area of land to be affected by the mining operations. These permits can not exceed five years in duration and are not issued until a performance bond is filed with the board. Performance bonds are conditioned upon the good faith completion of all requirements of the board, the reclamation plan and the conditions of the permit.

The board can designate an area unsuitable for all or certain types of coal mining operations if the board determines that the regulation required is not technologically and economically feasible. Any person having an interest which is or may be adversely affected has the right to petition for such a designation. Prior to any formal determination of the unsuitability of an area, a detailed statement of: 1) the potential coal resources of the area, 2) the demand for coal resources, and 3) the impact of such designation on the environment, the economy, and the supply of coal must be made.

The board is authorized to develop, adopt and administer plans and programs for the reclamation of land having abandoned mines, and to present all proposals to the Secretary of the Interior as necessary. The board also contracts with various laboratories for services including soil testing and water sample gathering and analysis to assist qualified small operators to meet Kansas and federal permit and compliance requirements. The Office of Surface Mining (OFM) funds the operation and administrative costs for this program.

The board submitted a proposal on February 26, 1980 to assume exclusive jurisdiction for administration of regulations and compliance procedures required under the acts. The program is expected to be approved and operational prior to January 1, 1981.

SPECIAL PROJECTS DIVISION

The Special Projects Division of the Commission has been established to meet the growing demands and changes in the utility regulation and energy fields. The Division was formerly a part of the Utilities Division and presently has three major focuses: electric load research, residential conservation and computer services. The focus of the Division will change to correspond with changes in the issues facing the Commission.

The federal Public Utility Regulatory Policies Act (PURPA) and the National Energy Conservation Act (NECPA) mandated, reinforced and expanded various Commission actions in dealing with rising energy costs, residential conservation, consumerism and environmentalism. The Special Projects Division has been designed to provide the Commission with the flexibility to deal with these issues and directives in an efficient manner without disrupting on-going responsibilities.

The Electric Load Research Section conducts the research in the electrical energy field needed to implement the mandates of PURPA and the 1979 Kansas Electrical Generation Facility Siting Act. The studies include: cost of service and rate design techniques, Kansas electric demand and generating capacity forecasting, load control, lifeline rates, interconnection of electric power systems, cogeneration, survey of alternative energy sources, energy conservation and consumer information programs.

The Residential Conservation Section deals with the development, implementation and monitoring of the Residential Conservation Services (RCS) program. This five-year program will make conservation services available for residential customers through the utility companies. The plan includes the development of various supplier, installer, and lender lists, the certification of energy auditors and inspectors employed or contracted by the utilities, and education programs designed to supplement residential energy conservation.

The Computer Services Section provides the computer capability to meet the research and data requirements of PURPA and the Kansas Generating Facility Act. This section is also preparing to computerize the docket control system for the Commission to insure compliance with Senate Bill 881. Computer Services assists the other Commission divisions, on a project-by-project basis, in utilizing computer applications to improve and facilitate their operations.

CONSERVATION DIVISION

The Conservation Division is responsible for enforcing rules and regulations pertaining to the conservation of crude oil and natural gas, the plugging of wells, the underground disposal of salt water, the repressuring and water flooding of oil and gas properties, protection of correlative rights, and prevention of waste (physical and economic). It is also responsible for well classification under the Federal Natural Gas Policy Act of 1978. The Conservation Division consists of four operating programs: regulation of oil wells, natural gas regulation, abandoned well plugging and salt water disposals, and NGPA well classification.

Regulation of Oil Wells

The Oil Department of the Conservation Divison oversees all oil production in Kansas. For all completed oil wells, the operator must file with the Commission an affidavit of productivity and an acreage plan. A productivity test must then be taken by one of the Petroleum Technicians before the well goes into production. All prorated wells must be tested each year by field staff of the Commission.

The Oil Department oversees the issuing of commingling orders and dual completion orders. Operators of marginal wells can make application for permits to commingle oil and gas production from more than one source of supply through the same well bore. Operators can also apply for authorization to dual complete a well, permitting production from two or more sources of supply through the same well bore.

Natural Gas Regulation

The Natural Gas Department oversees the production of natural gas in Kansas. All complete gas wells in a prorated field require an allowable application and an acreage plan to be filled by the operator. Initial and annual flow tests are taken in all prorated fields for active wells in production, and biennially for the 4,040 gas wells in the Hugoton field. Copies of these tests and monthly gas purchaser's reports are submitted to the Conservation Division, recorded and filed. A monthly production report is tabulated for each prorated field and mailed to subscribers.

Since January 1, 1980 the amount of activity in the petroleum industry in the State of Kansas has increased considerably. In all of 1979 there were 8,262 intent to drill cards filed with the Conservation Division. At the end of August, 1980 there were already 9,643 intents on file. Also the Hughes Tools Co. rig count shows that on August 25, 1980 there were 136 drilling rigs operating in Kansas. One year ago at this time there were only 60 rigs operating in Kansas.

Anandoned Well Plugging and Salt Water Disposal Department

All abandoned well plugging and salt water disposal measures, including repressuring and injection wells, undertaken by private firms or individuals must be accomplished under the direct field supervision of Commission staff. In order to be responsive to the service demands placed on the Commission, the state is divided into 13 geographical districts.

When oil, gas, salt water, repressuring and injection wells are abandoned, operators file application for a permit to plug such wells. These applications are approved and the operators contact a field representative for plugging instructions and supervision. Plugging reports are submitted, recorded, and filed. These reports are compiled into a monthly plugging summary which is printed and mailed to 250 subscribers.

Applications are also made for salt water disposal, repressuring and injection permits. These applications are reviewed by staff and forwarded to the State Department of Health and Environment for their approval.

Every person, firm, association or corporation drilling, that drills seismic, core, or exploratory holes for the purpose of exploration,

discovery production of oil, gas or other minerals must file an Intention to Drill with the Conservation Division. Such notice must be in the office five days before drilling is commenced. These notices are received and reviewed daily. Approved notices are compiled into a daily list. This list is printed and mailed daily to approximately 85 subscribers. Approved notices are also kept on permanent file.

Natural Gas Policy Act Program

The Natural Gas Policy Act of 1978, effective December 1, 1978, requires a formal application for all new gas wells drilled in order to make a proper classification determination. This includes non-prorated fields and stripper wells which were not previously under the direct jurisdiction of the Commission staff. A formal public hearing is required before the Commission can make a final determination on each application.

The NGPA Department was established during fiscal 1980 to process applications for well classification determinations under the Natural Gas Policy Act of 1978. The staff, along with consultants and geologists, prepare NGPA applications for hearings either before the Commission or a Hearing Examiner.

At the end of August, 1980, 3,129 NGPA applications had been filed with the Conservation Division. Of these 3,129 applications, 2,627 were granted, 9 were denied, 252 withdrawn and 1 returned for Federal Jurisdiction Consideration. Currently, 241 applications are pending before the Commission.

Administrative Support

The Administrator of the Conservation Division, at the direction of the Commission, administers the oil, gas, secondary recovery and plugging laws. He recommends to the Commission, at its Market Demand and Crude Oil and Natural Gas Hearings, the amounts of oil and gas that can be produced without waste. He advises the Commission on matters pertaining to proration, well plugging, underground pollution, secondary recovery, and unitization of oil and gas fields.

The other employees of the Administrative Department handle the personnel, accounting, duplicating, word processing, and clercial support service for the Conservation Division.

The Commission held 569 oil and gas hearings during the biennium that produced 689 oil and gas orders and 489 salt water disposal and fluid repressuring orders. As of June, 30, 1980, there were 43,310 oil wells producing 115,190,410 barrels. During this period, 374 new oil fields and 187 new gas fields were discovered.

HEARINGS AND ORDERS

GAS HEARINGS	
July 1, 1978 to June 30, 1979	284
July 1, 1979 to June 30, 1980	228
Total	512
GAS ORDERS	
July 1, 1978 to June 30, 1979	282
July 1, 1979 to June 30, 1980	236
Total	518
OIL HEARINGS	
July 1, 1978 to June 30, 1979	26
July 1, 1979 to June 30, 1980	31
Total	57
OIL ORDERS	
July 1, 1978 to June 30, 1979	85
July 1, 1979 to June 30, 1980	86
Total	171
SALT WATER DISPOSAL ORDERS	
July 1, 1978 to June 30, 1979	146
July 1, 1979 to June 30, 1980	208
Total	354
FLUID REPRESSURING HEARINGS	
July 1, 1978 to June 30, 1979	0
July 1, 1979 to June 30, 1980	0
Total	0
FLUID REPRESSURING ORDERS	
July 1, 1978 to June 30, 1979	53
July 1, 1979 to June 30, 1980	82
Total	135
NUMBER OF OIL WELLS PRODUCING	
July 1, 1978 to June 30, 1979	43,050
July 1, 1979 to June 30, 1980	43,310
CRUDE OIL PRODUCTION	
July 1, 1978 to June 30, 1979	56,442,864
July 1, 1979 to June 30, 1980	58,747,546
Total	115,190,410
OIL FIELDS DISCOVERED (New areas)	
July 1, 1978 to June 30, 1979	160
July 1, 1979 to June 30, 1980	214
Total	374
GAS FIELDS DISCOVERD (New areas)	
July 1, 1978 to June 30, 1979	91
July 1, 1979 to June 30, 1980	96
Total	187
NATURAL GAS PRODUCTION (In MCF)	
July 1, 1978 to June 30, 1979	849,089,997
July 1, 1979 to June 30, 1980	776,301,486
Total	1,625,391,483
GAS TESTS OPEN FLOW AND/OR DELIVERABILITY	
July 1, 1978 to June 30, 1979	6,187
July 1, 1979 to June 30, 1980	6,383
Total	12,570

OIL PRODUCTIVITY TEST

	7-1-78 to 6-30-79	7-1-79 to 6-30-80
Initial Physical Productivity Test	197	251
Field Physical Productivity Retest	16	20
Field Barrel Retest	1,458	1,986
Special Tests	30	25
Two-Zone Packer Checks	60	36
Two-Zone Packer Installations	9	11
Total	1,770	2,329

WELL PLUGGING DEPARTMENT

	OIL	WSW	Gas	Dry and abandoned	Salt water disposal	Input
Wells Plugged 7-1-78 to 6-30-79	581	3	156	2,067	51	42
Wells Plugged 7-1-79 to 6-30-80	449	0	125	2,367	36	15
Total	1,030	3	281	4,434	87	57

DERAILMENTS AND COLLISIONS OCCURRING IN KANSAS ON ALL RAILROADS YEAR 1979

MONTH	CAUSE OF DERAILMENT OR COLLISION				TYPE OF TRACK INVOLVED				TOTAL DERAILMENTS AND COLLISIONS	TOTAL ESTIMATED COST
	TRACK, ROADBED AND STRUCTURES	EQUIPMENT	EMPLOYEE ERROR	OTHER	MAINLINE	YARD	SIDING	INDUSTRY		
January	9	6	4	3	10	8	3	1	22	$ 2,355,493
February	5	5	5	1	7	9	0	0	16	430,891
March	13	6	4	0	9	14	0	0	23	459,392
April	9	4	4	0	8	7	2	0	17	956,831
May	13	4	5	1	10	13	0	0	23	404,036
June	14	4	5	1	15	8	1	0	24	459,492
July	12	6	13	3	12	19	2	1	34	559,132
August	9	5	6	4	13	11	0	0	24	245,587
September	6	6	5	1	11	7	0	0	18	312,361
October	3	4	6	0	6	6	1	0	13	203,699
November	15	5	6	2	10	14	2	2	28	405,525
December	7	9	5	2	13	10	0	0	23	390,789
T O T A L	115	64	68	18	124	126	11	4	265	7,183,228

SOURCE: Monthly accident reports filed with this Commission by Kansas Railroads.

NGPA HEARING STATISTICS

Month	Schedule	Con't Past	W/Drawn	Denied	Con't Fwd	Granted	Apps. received Per Month
Dec., '78							415
Jan., '79	The first formal Kansas Corporation Commission NGPA Hearings began in April of 1979.						254
Feb., '79	The following is a statistical breakdown by month.						721
Mar., '79							215
Apr. 12 '79	33	0	1	6	0	25	76
May 16 '79	180	17	0	1	123	55	65
June 26 '79	155	49	12	0	1	142	42
July 25 '79	132	0	3	0	29	100	59
Aug. 29 '79	242	12	9	2	19	212	104
Sept. '79			NO HEARINGS				
Oct. 17 '79	443	13	14	0	49	380	119
Nov. 28 '79	278	51	7	0	95	176	176
Dec. 28 '79	172	147	9	0	22	141	46
Jan. 30 '80	246	5	3	0	31	212	88
Feb. 27 '80	247	34	12	0	80	155	99
Mar. 26 '80	162	14	2	0	22	138	61
Apr. 23 '80	233	13	5	0	42	185	65
May 28 '80	242	10	14	0	35	193	143
June 26 '80	249	15	6	0	36	207	55
Totals	3,014	380	97	9	584	2,321	2,925

% Scheduled to Date: 99%

Total Determinations: 80% of number scheduled for hearing

NOTE: The above number of withdrawn applications reflects only those withdrawn after a hearing date was set.

** The total of scheduled applications includes a large number of items which were continued for various reasons and are scheduled for at least 2 more hearings.

STATE CORPORATION COMMISSION